Pell Processing for Phase-In Participants

Overview

Phase-In Participants may continue to use their custom software, EDExpress or a third party software to create and import Pell records in the 2002-2003 Award Year. The programmatic changes are detailed in the Implementation section. This section reviews Pell Processing and includes changes due to COD.

Pell Grant Funding

The funding for the Federal Pell Grant Program is based on an award year that begins each academic year with an initial authorization amount, beginning July 1 and ending on September 30, fifteen months later, when schools can no longer request routine increases. However, extensive post-deadline processing continues for five years until the funding is cancelled.

COD supports schools participating in Advanced Funding, Just-In-Time (JIT), or Reimbursement methods of funding. Advanced Funding is the primary method of payment for Federal Pell Grants, in which the school receives an initial obligation amount which it may draw down. This obligation amount is not increased until the net accepted disbursement amount exceeds the initial authorization amount. JIT Funding is a method of payment that was made available for the first time in the 1999-2000 Award Year. JIT skips the initial funding process and deposits funds directly into the school's bank account each time student level Disbursement Records are processed.

The Case Management Oversight (CMO) staff at ED determines when a school is required to participate in Reimbursement. This method of payment is for schools requiring additional reporting for Federal Pell Grant fund payments.

Initial Authorization for Advance Funded Schools

The School Participation Data is updated at the beginning of each award year for all schools eligible to participate in the Federal Pell Grant Program. Once the school data has been updated, initial funding amounts are calculated for all schools participating in the Advance Funding method of payment. This batch process runs once a year in May. After the school data is updated for all eligible schools and the initial funding is determined for all appropriate schools, initial funding is complete.

The Pell Processor sends an Electronic Statement of Account (ESOA) to schools to notify them of their initial authorization. As the school reports disbursements, any necessary adjustments to the authorization are made and GAPS is notified so that funds will be available to the school. The Pell Processor enables the Department to track a school's need for funds as the award year progresses and adjust the school's authorization on that basis.

The Electronic Statement of Account (ESOA) is a 200-byte fixed-length record. ESOAs are transmitted by the Pell Processor to SAIG on the same day they are processed by the Department. The file is sent electronically in the PGAS message class. A school can retrieve ESOAs at any time for a six-month period following their placement on the network. If they are not retrieved within this six-month period, they are deleted.

ESOAs are transmitted in batches containing a batch header record, one or more ESOA detail records, and a batch trailer record.

When do schools get their funding?

Pell Grant funds become available to schools on July 1 of each award year.

What formula is used to calculate funding?

An initial authorization is not intended to fund a school for the entire award year. This initial authorization provides the basis for immediate funding for the new award year. As each advance-funded school submits disbursement batches, the total accepted amount for each batch is applied to the initial authorization. When the batch total exceeds the amount of

the initial authorization, the authorization will be increased to cover each additional batch as it is accepted.

Remember that Origination Records do not increase your authorization level; only Disbursement Records increase authorizations.

As in previous years, the initial authorization for 2002-2003 is determined based on a percentage of disbursement data that is submitted and accepted during the 2001-2002 award year.

The formula used to determine your initial authorization is based on three criteria:

- Previous Award Year's Disbursements

- Type of Academic Calendar Used at the school

- Percentage Level Associated with Academic Calendar

Example:

School A is a semester school that disbursed $100,000 in AY 2001-2002.

Criteria:

$100,000

Semester School

Semester Schools receive 40%

School A would receive an Initial Authorization of $40,000 for AY 2002-2003.

Is the money deobligated?

Yes. Near the end of the award year, a program is run to bring the amount of obligations down to the current disbursement amount.

Can initial funding be increased?

Yes. Schools may ask for an increase to their initial authorization by submitting an email request to: pell.systems@ed.gov

You may also call the Pell Grant Hotline 1-800-4PGRANT (1-800-474-7268) if you have any questions concerning Initial Authorization.

Funds Drawdown

Two types of funds drawdown are available:

- Advance Funding

- JIT

Advance Funding

An initial authorization is produced by the Pell Processor for which a school must submit disbursement records to justify and increase its authorization level. Once this is done, the school can draw down funds through the Grants Administration and Payment System (GAPS). The Pell Processor issues an ESOA to the institution showing the status of the school's account in detail and summary format. Disbursement records may be received as early as 30 days prior to the disbursement date for Advance Funded schools. However there will be no increase in funding levels until seven days before the disbursement date.

Just-In-Time Funding

In Just-in-Time, a disbursement record that is accepted becomes both a report of a disbursement for a student and a request for funds. The Pell Processor accepts a disbursement record from a school only if the school has sent in an acceptable origination record or sends an acceptable origination record at the same time it sends the student's initial disbursement record.

A school participating in JIT Funding submits a disbursement record no earlier than seven days prior to the actual disbursement date reported in the record. Based on the accepted and processed disbursement record, the Pell Processor automatically sends a transaction to GAPS which draws down funds and deposits them directly into the school's bank account without any further action by the school. The Pell Processor transmits an ESOA to the school showing the status of its account in detail and summary format. GAPS then sends the Pell Processor an acknowledgement.

COD Student Identifier

Phase-In Participants will continue to use the Origination ID on their records; however, the Student Identifiers for COD are the Current SSN, Current Date of Birth, and current Last Name. In the legacy system the SAR ID on the ISIR and the Attending Campus Pell Number were used to create the Origination ID for the student. In order to link the legacy records and COD Processing system, new fields have been added to the Origination record to include this data. The Pell Processor will verify the information in the new fields matches the information on file for the student. Therefore, when submitting updated origination records, schools should ensure they are using the correct ISIR Transaction Number that matches the current SSN, Date of Birth, or Last Name.

The Identifiers can be changed when necessary. Changes to SSN, Date of Birth and the Student Name must be reported to CPS as corrections to the ISIR prior to reporting the change to the Pell Processor on the Origination record. Students, in general, should not submit a new Free Application for Student Financial Aid (FASFA) to correct a problem unless specifically instructed to do so by CPS.

Origination Records

The origination record establishes a student's eligibility and amount of annual Pell Grant award.

- Origination records are prepared and submitted by schools to the Pell Processor.

- Origination record data is received and edited by the Pell Processor to ensure that the student is eligible to receive the reported amount of Federal Pell Grant funds and to establish the student in the Pell Processor's database.

After the Pell Processor edits the origination data, it returns the accepted, corrected, duplicate, or rejected values for each origination record in an origination acknowledgement record. The origination acknowledgement record contains:

- Acceptance status of the record.

- Accepted or corrected value for each data item.

- Comment codes for corrections or rejections.

In a rejected record, all data is sent back as reported by the school. For accepted records, the origination acknowledgement record also contains a calculated student scheduled award.

Origination records can be updated, if needed, when the school receives the origination acknowledgement record. Changes to the origination record which result in a reduction of the award amount may result in the Pell Processor generating negative disbursements. Origination award amounts are used to verify disbursement requests.

No changes should be made to any record that has not been acknowledged.

Submitting Origination Records

Headers and Trailers

A fixed length file batch submission can include one type of data, such as Origination or multiple types of data such as Origination and Disbursement. To keep the data in order, there is a system of Headers and Trailers.

An example is provided below:

Transmission Header
  Transmission Batch Header "PGOR03IN"
    Grant Batch Header "#O"
      Origination Record
    Grant Batch Trailer
  Transmission Batch Trailer
  Transmission Batch Header "PGDR03IN"
    Grant Batch Header "#D"
      Disbursement Record
    Grant Batch Trailer
  Transmission Batch Trailer
Transmission Trailer

For schools using EDExpress for creating batches and EDconnect to send them, simply batch and export student data as the instructions indicate and all Headers and Trailers will automatically be applied when the data is sent.

Schools using a third-party software or a mainframe to process their data can use EDconnect to send the data. EDconnect will apply the Transmission Header and Trailer and the Transmission Batch Header(s) and Trailer(s) to the batches. The third party software or mainframe must create the Grant Batch Header(s) and Trailer(s).

The software the school uses to prepare origination records should enter data in the correct origination record format. Some fields that can be entered in the origination record are required, and others are optional. The school will need to make sure the information is correct in both types of fields of the origination record for that student.

Tip: When a Grant Batch Header fails batch-level edits, the Grant Batch Header returned provides the Legacy Batch Reject Reasons. The Batch number will also be available for viewing with COD edits on the COD Web page.

Construction

Schools must be operational for EDE Electronic Payments Service in order to submit Federal Pell Grant origination and disbursement data via the SAIG. Schools must also have successfully submitted an application to use SAIG and been assigned a valid TG number to submit electronic files . (The school/servicer point initiates an origination record batch by transmitting the following):

- **Grant Batch Header Record**: The grant batch header record reports the record length, the batch type, the school's identifying code numbers, and processing dates.
- **Origination Record**: An origination record is included for each student reported in the origination batch. All fields applicable to the recipient must be completed. No fields may be left blank unless noted in the record layout.
- **Grant Batch Trailer Record**: The grant batch trailer record reports the number of student records included in the transmission; the amount reported on this transmission; and the total number of records in the transmission.
- **Grant Batch Editing**: The Pell Processor receives each origination batch from the SAIG and performs specific batch-level edits. If the submission passes all of these edits, the batch is submitted for Federal Pell Grant program processing. If a grant batch fails any of the batch-level edits, the header record is updated to indicate the reason for rejection and the header and trailer are returned to the submitting school/servicer for corrective action. None of the transaction data in the rejected batch are forwarded to the program for processing.

The grant batch reject reasons field, positions 77 – 100 of the grant batch header record, indicates the specific reject reason(s).

Each batch number may only be submitted once for processing. If the same batch number is submitted twice, it will be rejected on the second submission. If a batch is sent twice in error at the same time, both batches will be rejected. The batch number in the Grant Header and the Grant Trailer must both be changed with each new batch.

All other fields contain blanks. When the Pell Processor finds a missing grant batch trailer, it constructs a grant batch trailer record for the returned batch.

During the edit process, batches are either approved or rejected. For rejected batches, the grant header and trailer are returned immediately to the school without the detail records. The rejected grant header shall have the comment codes to notify the school why the batch was rejected.

Schools must resubmit the detail records in new batches with new batch numbers after the errors are corrected. If the Pell Reporting Campus ID number in the grant header record is missing or incorrect, the batch acknowledgement cannot be returned to the school.

The grant batch reject reasons are specific to electronic processing and are different from the edit/comment codes produced in Federal Pell Grant Program processing. Grant batch reject reasons indicate errors related to the transmission of origination and disbursement data between the school/servicer and the Pell Processor. The edit/comment codes, on the other hand, apply to all Federal Pell Grant origination and disbursement processing. Rejected batch numbers can also be viewed on the COD Web page with the applicable COD edit(s).

Origination Record Batch Processing

Federal Pell Grant processing creates an origination acknowledgement for every record sent, except those transactions that are skipped due to rejected batches. An origination acknowledgement is returned to the school/servicer for each student record in origination record batches received and processed by the Federal Pell Grant Program. (You can view rejected origination records on the COD Web page with COD associated edits. All questions regarding these records should be directed to Pell Customer Service at 1-800-4PGRANT [1-800-474-7268]).

The Pell Processor transmits origination acknowledgement batches to the network for pick-up by the school/servicer. The school/servicer should receive back an origination acknowledgement batch for each accepted origination record batch it transmits. Batch integrity is maintained during processing.

The Pell Processor transmits origination acknowledgement batches to the network the same day they are processed by the Federal Pell Grant Program. The school/servicer retrieves the origination acknowledgement batches following their placement on the network.

Origination Acknowledgement Records

Origination acknowledgement records contain the data reported by the school/servicer on the origination records, edit/comment codes, and any corrections or reject reasons applied during Federal Pell Grant processing of the origination records.

The school/servicer must review each origination acknowledgement batch for corrections applied and for rejects; then correct the data as required. The school/servicer corrects origination acknowledgements by transmitting a new origination record for each student whose data requires changes.

Duplicates are not rejected records, but should be reviewed by schools/ servicers for any problems or software issues.

Disbursement Records

Disbursement records are used to report student Pell Grant disbursement data to ED. They also determine and commit the amount of Federal Pell Grant funding available to each school.

As in prior award years, each school under the Advance Payment method receives an initial authorization as start-up funding. Schools receive an Electronic Statements of Account (ESOA) for each adjustment to their authorization, after the disbursements exceed the initial authorization. For example, if the initial authorization amount established by the Department is $100,000 and the school reports disbursements totaling $101,000, that school's authorization will increase by $1,000.

Schools prepare and submit records for each disbursement made to a recipient, using EDExpress or their own software. Each disbursement record must have a unique reference number (01-65). In assigning these numbers, it is recommended that schools start with number one (01) and use consecutive numbers for each additional disbursement transaction submitted to the Department for that student. (Note that 66-99 is now reserved for ED use.)

The Pell Processor receives and edits the disbursement record against accepted origination records. If an origination record match is not found, the Pell Processor rejects the disbursement record. If a disbursement exceeds the Accepted Award amount for the Entire Year the record is corrected by adjusting it downwards. If a disbursement record exceeds 100% of the student's eligibility across all schools, the record is temporarily accepted for the amount submitted. At the same time, an MRR is sent to all schools at which the student has a disbursement for that academic year. The schools then have 30 days to correct the Overpayment. If the overpayment is not resolved, all disbursements are reduced to zero. Schools may resubmit disbursements to reinstate the student's grant.

Disbursement records may be received as early as 30 days prior to the reported disbursement date for Advance Funded schools or seven days for JIT schools. However there will be no increase in funding levels until seven days before the scheduled disbursement date.

General Process for Disbursements

Schools report each payment made to an eligible student with a Disbursement Record. Schools send Disbursement Records electronically via the SAIG. Disbursement batches can be sent at the same time as Origination batches. However, to ensure that the student's Origination is

processed and accepted before the Disbursement, it is recommended that Originations be batched and transmitted prior to Disbursements.

Before the Pell Processor can accept a Disbursement Record, there must be an accepted Origination Record on file for the student. Any Disbursement Record received prior to receiving an accepted Origination Record will be rejected. Likewise, if Origination and Disbursement records are sent at the same time and the Origination Record is rejected, then the Disbursement Record will also be rejected.

Schools may send a Disbursement Record for each Pell Grant disbursement either before or after the disbursement has been made. The reported record should contain information regarding a single disbursement activity for the student. To view all fields of the Disbursement Record, please see the Disbursement Record layout description in Custom Layouts.

When Disbursement Records are received, they are edited to make sure there are no errors. The Pell Processor verifies that the reported disbursement amount does not exceed the student's Origination Award amount. Acknowledgements are sent back to the school for each Disbursement Record. Acknowledgements are generally returned to the school within three to five hours.

Once the Disbursement Records are accepted, the Pell Processor submits the data to the Financial Management System (FMS). This action generates obligations and payment transactions for the Grants Administration and Payment System (GAPS).   When the school's reported disbursements exceed its current authorization an ESOA is generated which increases the Pell Funds available for the school.

Disbursement Acknowledgement Records

After processing disbursement records for a school, the Pell Processor sends the school a disbursement acknowledgement. The acknowledgement provides schools with an accurate and timely status of their accepted Federal Pell Grant disbursements. With this information, schools can reconcile their disbursement records with the Department. It is recommended that schools send origination records to the Pell Processor early so that records can be edited and problems resolved before disbursements are made to students.

Changes to Disbursement Record Information

Very few items can be corrected on a Disbursement Record. However, the record layouts explain which corrections are valid. The Pell Processor will not allow the student to receive more than the accepted award amount on the Origination Record. If the Pell Processor calculates that the student is going to receive more than the accepted amount on the origination record, the award is either reduced or the record is rejected.

School Changes to Disbursement Information

To correct payment amounts, it may be necessary to update the Origination Record before the school submits a new Disbursement Record. The enrollment status, COA, and EFC on the Origination Record can affect disbursement amounts on the Disbursement Record. The school should verify the accepted award amount on the Origination Record and correct the Origination Record before submitting a new Disbursement Record.

Unlike Origination Records, the information on the new Disbursement Record does not replace the existing record. Instead, the payment amount reported on the new Disbursement Record is added to or subtracted from the accepted payment amount, resulting in a new total payment to the student.

Because the old Disbursement Record information is not replaced, a school cannot actually correct an incorrect disbursement date. If a school reported an anticipated disbursement that was not made, it should send a new Disbursement Record with a negative disbursement for the amount that it reported it would pay.

If the Origination Acknowledgements and Disbursement Acknowledgements that the school receives are accurate and there are no changes to the students' awards, the school should simply retain these records in their files. However, if the information for any student is incorrect or there are changes during the award year, the school should submit corrections.

The most frequently required changes are to COA, verification status (to update a "W"—payment without documentation), and payment amounts and dates. Other changes occur less frequently, except in cases of error. For instance, one would not expect the school's academic calendar to change during the award year.

Rejected Records

An enhancement in 2002-2003 is the way rejected records are handled. The new COD Web page will allow Phase-In Participants to view their rejected records online. After the Pell Processor processes the Origination, Disbursement, and Data Requests, an acknowledgement is sent to the school and any rejected records are placed in a "holding bin." Phase-In Participants may view rejected record(s) and determine which corrections need to be made. They will then be able to send a corrected record through EDExpress or their software. In 2002-2003, Phase-In Participants can not create or correct records via the COD Web Page, but they can view the records that have been accepted or rejected.

The holding bin will hold the rejected records even after the record has been corrected and accepted. This will allow schools to review a complete documentation of all records submitted for processing.

Data Request Records

Schools may request information from the Pell Processor by submitting a data request. These files are Multiple Reporting, Statement of Account, Year-to-Date, and Reconciliation data. The Pell Processor sends the Multiple Reporting Record and Statement of Account automatically throughout the Award Year to notify schools of changes and potential problems. Schools can also obtain this information on demand with a data request. The school must always request the Year-to-Date and Reconciliation files.

A Data Request may be sent as an electronic file or may be submitted via www.pellgrantsonline.ed.gov for award years prior to 2002-2003.

Data Request Acknowledgement Records

After the Data Request record is received and processed, a Data Request Acknowledgement record is sent back to the institution for each data request received.

Institution Data Records

The Institution data record has been discontinued in the 2002-2003 award year. Updates to a school's address, contact person, and telephone numbers can be made at http://eligcert.ed.gov. It is not recommended to use the RFMS Web page to update Institution information because the RFMS Web page is for award years prior to 2002-2003.

Multiple Reporting Records

The Multiple Reporting Record (MRR) process provides information to a school about a student's origination and disbursement status at other schools and the amount of the scheduled award disbursed. This function allows schools to identify the two primary types of multiple reporting conditions: concurrent enrollment and eligibility overaward. Schools may request MRRs at any time by submitting a data request record electronically or online.

An MRR will be system-generated by the Pell Processor if a disbursement record is submitted and the system detects a Potential Overaward Project (POP) condition. You can also request an MRR any time after the student record is originated. POP is a process which detects that an eligible student may receive more than the maximum Federal Pell Grant scheduled award amount at two or more schools.

Multiple Reporting Record Process

Schools prepare and submit eligible students' origination records to the Pell Processor using EDExpress or their own software. After a school receives an Origination Acknowledgement, it may submit a data request record with a type code of "M" (for multiple). The Pell Processor receives and edits the MRR data request to verify that the student has been originated at that school and that the physical layout of the record is accurate. If the record passes these edits, the Pell processor will search the database to identify all other originations and disbursements submitted by other schools for the student requested on the MRR. The Pell Processor returns the data requested or rejects the request. If the request is rejected, the school receives an acknowledgement of the rejection reason.

Schools are encouraged to request MRRs prior to requesting disbursements to reduce the number of problems with POP. A copy of the edits that the Pell Processor uses to process data request records is included at the end of this section in Appendix D. To provide additional assistance in submitting data requests records and the most effort-free process as possible, many of the Pell Processor edits have been incorporated into the EDExpress software.

Requesting Multiple Reporting Records

There are several options available to you when requesting an MRR. A school can submit a data request created in either EDExpress, their own software, or on the COD Web page.

POP

Beginning with 2002-2003, a change is being implemented to improve the efficiency in which POP situations are resolved. After receiving an MRR, schools have 30 days to mediate with the other POP-affected school(s) and correct overpayment situations. After 30 days, if the student is still in an Overpaid status, all schools involved will receive system-generated negative disbursement. The negative disbursement will reduce all previously accepted disbursements to the student to zero for the award year.

A school may resubmit valid disbursement record(s) individually, indicating the correct disbursement date and amount the student received. If multiple schools resubmit disbursements, causing an Overpaid status again, the Pell Processor will again send an MRR to all involved schools informing them of the recurring POP situation. Then after 30 days, the schools will receive system-generated negative disbursements decreasing

the student's disbursements to zero. If this cyclic situation occurs, it is suggested that schools contact Customer Service for assistance in mediating and resolving the POP situation before resubmitting disbursements.

Reconciliation File

For 2002-2003, the Reconciliation File has not been changed. This type of request can be a request for an individual student or an entire school.

The Reconciliation file is a one-record summary of the data the Pell Processor has for a student. This record can be used to reconcile the school's total disbursement amount per student with the Pell Processor. If the amounts do not match, information on the Reconciliation record should help to determine where the discrepancy is located.

Year-To-Date (YTD) Records

The YTD origination record for a student will show the origination information stored in the Pell Processing System, correction data, and the total amount disbursed to the student for the year.

The YTD disbursement records for the student show the accepted data for each disbursement the school reported. The YTD records show the school the information the Department has about its students, which may conflict with the school records.

The YTD summary will show the number of recipients at the school; the number of origination and disbursement records that were accepted, corrected, duplicated, or rejected; and, for a certain edit codes, the number of times the school received that specific edit code on an acknowledgement.

The school's software should generate the information needed for reconciling its records with the Department's records. For example, the school may be able to automatically compare its records to the YTD record to get a list of students who have differing disbursement amounts in the two sets of records. Schools should consult the documentation for their software for more information on the uses of YTD data.

The YTD file is used in reconciliation and in replacing a corrupted database. It also provides information to schools about a student's origination and disbursement status as well as a summary total of all origination and disbursement data submitted by a school.

General Purpose of the YTD File and the Process for Requesting It

In the legacy system for years prior to the 1999-2000 cycle, the YTD file was used to replace lost databases. This functionality has been retained in COD.

Purpose of the YTD File

The YTD file performs a dual role. Schools can request the YTD file to replace a corrupt database or to reconcile its records with the accepted data that the Pell Processor has retained. Schools who use EDExpress have the following options:

- Comparing and printing a discrepancy report,

- Printing all YTD records,

- Updating selected records, and

- Updating/rebuilding all.

Process for Requesting a YTD File

You may request a YTD file at any time by submitting a data request record or by using the COD Web site.

Format of the YTD File

Each YTD file contains three parts:

1. The last accepted Origination Record for each student,

2. Each accepted Disbursement Record for each student, and

3. A summary of data sent to the school.

The Origination portion contains all accepted data from the last accepted origination record at the Pell Processor for the students at your school. The Disbursement portion provides you with each accepted disbursement associated with the origination. The summary provides the school with information on all origination and disbursements contained in the YTD record.

Note: The "YTD Disbursement Amount" is located on the Origination portion of the record beginning at position 304. This value reflects the current amount of accepted disbursements for a specific origination ID in the Pell Processor database.

For EDExpress Users

The YTD Comparison Report will list the differences between your database and the imported YTD file; it prints in two sections. The first section notes the Pell Origination exceptions; and the second section prints the Pell Disbursement exceptions, followed by a one-page summary of the Origination and Disbursement data.

When importing a YTD file you can mark the "Compare and Print Exception?" box so the software will identify the differences between the information in the import file and your EDExpress database Pell tables and generate a discrepancy report in Last Name order.

Verify that you have imported all Pell Origination and Disbursement acknowledgements before running the compare feature; this will ensure the data in the YTD file is being compared against your most current processing results.

You should also delete records for students not attending your school that have been created but not submitted for processing. Otherwise, these records will be flagged as exceptions on the import Compare Report under the Pell database exceptions.

If you are not sure whether you want to use the Update option, we recommend you use the compare feature the first time you import the YTD file to view which updates may occur. There may not be any exceptions.

You also have the option to select the "Print All" box which will print all records in the YTD file in Last Name order.

Once you have imported the YTD file with the compare option selected and verified the potential updates, you can re-import the same YTD file and choose "Update: Selected Records." With this feature you can update specific student records with the information from the imported YTD file, if you are missing an acknowledgement file and want to update specific records that were in the missing batch.

The "Rebuild All" Update option will overwrite all the records in your database that have matching origination IDs in the YTD file.

Electronic Statement of Account (ESOA)

The ESOA summarizes the status of a school's spending authorization versus amount expended to date for that award year.

A school can send requests electronically for ESOA data batches. The request is sent via the SAIG.

There are two ways a school can receive an ESOA:

- By submitting a data request for the ESOA, or

- By the Pell Processor automatically generating the ESOA.

If a school is Advanced Funded, an ESOA will be received when the initial authorization is performed. When the Pell processor has accepted enough disbursements to exceed their authorization level, it automatically generates a new ESOA to the school. The ESOA is only generated when the authorization level is exceeded or decreased; it is not generated each time a disbursement is accepted.

If a school is JIT, an ESOA is produced each time a disbursement batch with accepted records is processed. This is because there is no inital authorization level that has to be exceeded.

The Pell Processor generates ESOAs and sends them in message class batches with a header and trailer record back to the SAIG. Schools can retrieve the ESOAs for a 6-month period following placement on the SAIG.

General Process for Electronic Correspondence from ED to Schools

Throughout the year, the Federal Pell Grant Program produces electronic letters and messages to communicate information from ED and the Federal Pell Grant Program to participating schools. School-specific letters are sent from ED in a text file through SAIG.

Some Electronic Correspondence media include:

- **IFAP Web site**: The IFAP Web site is an ED Web site designed to provide information to financial aid professionals. It has an electronic library and search tool and contains publications, regulations, and guidance correspondence regarding the administration of the Title IV Federal Programs.

The following frequently requested publications are maintained:

- Action letters

- Dear Partner Letters

- Electronic Announcements (P-Messages)

- New issues in Federal Registers

- SFA Handbooks

At the IFAP Web site, there are many links to other EDE sites, such as:

- SFA Training Web site

- SFA School Portal

- SFA Conference Registration Web site

- SFA Download

- Direct Loan Web site

- Publications Ordering Web site

P-Messages

P-messages are a type of ad hoc correspondence from ED. They are messages sent via e-mail, SAIG Message, or Listserv to every eligible school in the Federal Pell Grant Program. They are also posted on the IFAP Web Page as an Electronic Announcement. These messages are used to communicate an announcement or problem.

SFATECH

SFATECH is an online e-mail listserv for technical questions about Student Financial Aid (SFA) systems and software. Inquiries posted to the

listserv are reviewed by ED staff and forwarded to the appropriate Title IV program analyst for response.

Pell-specific questions are forwarded to pell.systems@ed.gov. The mailbox is reviewed and responses are sent within 24 hours of receipt. If a response needs further clarification, it is referred to a Development Team Leader. If it requires more than a one-day response, an e-mail will be sent to the school advising of this delay.

If a question is received that requires additional information or clarification from the originator, an attempt will be made to contact the originator by a telephone call. If unsuccessful, an e-mail will be sent to SFATECH to have a private e-mail sent to the originator rather than the entire listserv.

COD Web Site

To improve school access to Pell Grant Data, schools can verify batch status, student records, submit data requests, or enter institution data records via the Internet at the Federal Pell Grant Program Web site. In addition, the schools can enter post-deadline records via this interface. The COD Web Site is available 24 hours a day, 7 days a week.

RFMS Web Site

The RFMS Web site will remain up until December 2002 for Award Years 1999-2000 through 2001-2002. At that time the data for these years will be migrated to the COD Web site.

http://www.pellgrantsonline.ed.gov

Pell Interfaces

School Interface

Schools use the EDExpress software and third-party software to send Origination and Disbursement records to the Pell Processor through the Student Aid Internet Gateway (SAIG). The Pell Processor sends related Acknowledgement records back to the schools through SAIG.

Schools send batches of origination and disbursement records because of paying or expecting to pay Federal Pell Grant funds to students. Schools can send batches across the SAIG. These batches of records are processed with records accepted, accepted with corrections, duplicates, or rejected.

For each type of batch, a detailed acknowledgement is sent back to the school after processing is complete. Each acknowledgement contains the acceptance status, accepted field values, and comments explaining the processing results if necessary. Comment codes are returned to explain rejections and corrections. Batches that are rejected are not processed and no information is retained other than the reject reason. The Batch number and COD edit code can also be viewed on the COD Web page. The acknowledgement also contains additional data calculated during processing.

ED Systems

The Pell Processor interfaces with the following ED systems to receive or send data.

- Central Processing System (CPS)

- Postsecondary Education Participants System (PEPS)

- Student Aid Internet Gateway (SAIG)

- Grants Administration Payment System (GAPS)

- Financial Management Systems (FMS)

- Financial Management Systems Software (FMSS)

- National Student Loan Data System (NSLDS)

Central Processing System (CPS)

CPS provides student eligibility information to the Pell Processor for processing detail records Reciprocally, the Pell Processor provides recipient data to CPS for reporting purposes. School data is also provided to CPS, until the point in time when CPS interfaces directly with PEPS.

Postsecondary Education Participants System (PEPS)

PEPS provides the Pell Processor with school eligibility information. A school's eligibility to participate in the Federal Pell Grant Program can change anytime throughout the academic year; therefore, updates must be provided to the Pell Processor on a regular basis.

Student Aid Internet Gateway (SAIG)

The SAIG (formerly TIVWAN) is the primary vehicle that transports data between the Pell Processor and schools via the Internet. It also provides participation data. This data assists the Pell Processor in determining which schools are eligible to send data electronically.

By enrolling in SAIG, schools are able to exchange information electronically with the U.S. Department of Education. Many student financial aid services can be accessed via the SAIG. Schools must determine which services they need, and enroll appropriate individuals as destination point administrators (DPAs) for the specific services that the school wants them to access. When a school enrolls a new DPA, a destination will be established with an assigned "TG" number that identifies the DPAs' destination point on the SAIG.

Schools may enroll destination point administrators with their own destination points (mailboxes) for each service or function, or you may combine services and functions through a single DPA with a single destination point (DP). Where permitted, the DPA will determine which SAIG users are allowed access to that destination point. The DPA must enforce the security requirements as outlined in the SAIG User Statement, including the completion and maintenance of this statement(s). The President/CEO/Chancellor must certify that each DPA has developed secure procedures in compliance with the security requirements for permitting other people to use his/her destination point. The DPA must also complete a profile for each SAIG user within the EDconnect software used to connect to SAIG.

Grants Administration Payment System (GAPS)

GAPS is the system within the ED Central Processing System (EDCAPS) that processes obligations and payment transactions. The Pell Processor sends obligations and payments to GAPS. GAPS provides an acknowledgement back to the Pell Processor with processing results. In addition, GAPS provides updates to transactions which affect the available balance.

Financial Management Systems (FMS)

FMS is the system that forwards the financial data from COD to GAPS and from GAPS the information is applied to FMSS. The FMS system is within the SFA.

Financial Management Systems Software (FMSS)

FMSS is a system within EDCAPS. FMSS posts obligations received from GAPS to the General Ledger and processes receivables for the Department of Education.

National Student Loan Data System (NSLDS)

NSLDS receives payment information for all students receiving Federal Pell Grants.

Other Pell Processing Functions

Administrative Cost Allowance

The Administrative Cost Allowance is money that ED pays schools to offset some of the cost of delivering financial aid to students. For the Federal Pell Grant Program, the amount is $5.00 for each student at the school who receives a Federal Pell Grant. This amount is based on the number of Pell recipients reported by the school, including students who withdrew from school or were transferred (even if all Federal Pell Grants were recovered). The Pell Processor then calculates Administrative Cost Allowance (ACA) payments for Pell Operations approval.

Administrative Cost Allowance Letter

Administrative Cost Allowance Letters are transmitted electronically through SAIG at least three times a year for all participating Federal Pell Grant schools. The letter notifies schools that they will receive, under separate cover, a direct deposit into their bank account from the Federal Reserve to cover certain expenses associated with administering the Federal Pell Grant program.

Sample Electronic Administrative Cost Allowance Text Message

Shown below is the Sample Electronic Administrative Cost Allowance Text Message that is sent electronically to schools notifying them of the ACA amount being deposited in their account.

Note: Your institution should expect a deposit totaling 9999999999999.99 for Administrative Cost Allowance supporting reporting of 99999999 student disbursements for the award year 2003.

Verification Status

For 2002-2003, the valid values for the Student Verification Status reported on the Origination record are 'V' for Verified, 'W' for Without Documentation, and 'Blank'. The value 'Blank' is used for students not selected for verification.

Institutions that originate students using the 'W' verification status may only disburse up to 50% of the student's scheduled Pell Grant. The school must subsequently update the verification status in those students' Origination records to 'V' after validating their income information. Near the end of the award year all funds for students with a "W" Verification Status are zeroed out. The Pell Processor sends a warning notification to schools after June 30 if they still have students with Verification Status of "W".

Percent Eligibility Used at a School vs. Total Percent of Eligibility Used

The Pell Processor calculates the Percent Eligibility Used at a school and the Total Percent of Eligibility Used whenever a disbursement record is accepted. These percentages are used in the POP calculations and the percentages are sent to NSLDS.

The Percent Eligibility Used at a school field is calculated by summing all of the accepted disbursement records for a student at an attended institution and dividing that amount by the Scheduled Federal Pell Grant at the attended institution. Round to four places after the decimal.

The Total Percent of Eligibility Used field is calculated by summing up all of the Percent Eligibility Used amounts at all campuses attended by this student for the current school year. This amount will be rounded to four places after the decimal. The Pell Processor performs percentile rounding that checks for schools using whole dollar disbursements.

Example:

School A Student	Sch. Federal Pell Grant	Disb. Amt.	Percent Elig.	Total Percent
1	3300	350.00	0.1970	0.2275
1	3300	300.25	0.1970	0.2275
2	1750	500.00	0.2857	0.5718

School B Student	Sch. Federal Pell Grant	Disb. Amt.	Percent Elig.	Total Percent
1	3300	100.50	0.0305	0.2275
2	3300	250.33	0.2861	0.5718
2	1750	250.33	0.2861	0.5718